

A-10

The Honolulu Advertiser

Established July 2, 1856

Thurston Twigg-Smith *President & Publisher*
George Chaplin *Editor-in-Chief*
Buck Buchwach *Executive Editor*
John Griffin *Editorial Page Editor*
Mike Middlesworth *Managing Editor*
Gerry Keir *City Editor*

Tuesday, October 22, 1985

Rewald's downfall

The conviction of phony investment man Ronald Rewald on all but four of the 98 counts was expectable in light of the evidence against him.

Yet it is also satisfying in the sense that the jury saw through Rewald's dubious defense against charges he bilked innocent if gullible investors of millions of dollars in his bogus firm.

Any acquittal would have been shocking because, stripped of all the smoke, bells and whistles, this was a classic swindle operation, a dream machine that was destined to mean tragedy for most of those who entrusted Rewald with their funds.

REWALD'S defense, that the Central Intelligence Agency directed him in this criminal operation, was neither believable nor substantiated by evidence offered.

In fact, his CIA relationship was a side issue and was judged that way by the jury.

Yet there was such a relationship, albeit minor, and the result was to the discredit of the CIA and the U.S. government of which it is a part.

The CIA has said "used the Rewald operation

commercial cover" for intelligence agents. But the unfortunate aspect was that Rewald was able to try to use the CIA at times for heavy cosmetic cover for his illegal operations.

At the least, the agency was guilty of what an official once euphemistically called "poor tradecraft," with some of its own agents among Rewald's victims. The nation has a right to expect more from its foremost intelligence organization.

THIS IS NOT the end of the Rewald affair. The sentencing will be important in its degree of severity. There will also be appeals, perhaps new revelations, and much additional comment.

No doubt some lessons have been learned by several government agencies. But for the public one of the lessons has to be the old one about necessary wariness about any unusual get-rich investment scheme — even if it bears well-known names, fancy offices, and the hint of covert government backing.

For, while Rewald was spectacularly successful for a time, he is one of a type, and there will be more of them later for

